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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

SOUTHERN DIVISION

ACACIA MEDIA TECHNOLOGIES CORPORATION,

Plaintiff,

vs.

NEW DESTINY INTERNET GROUP, et. al.,

Defendants.

AND ALL RELATED CASE ACTIONS.

Case No. SACV 02-1040 JW (MLGx)

Consolidated Cases:
SA CV 02-1048-JW (MLGx)
SA CV 02-1063-JW (MLGx)
SA CV 02-1165-JW (MLGx)
SA CV 03-0217-JW (MLGx)
SA CV 03-0218-JW (MLGx)
SA CV 03-0219-JW (MLGx)
SA CV 03-0259-JW (MLGx)
SA CV 03-0271-JW (MLGx)
SA CV 03-0308-JW (MLGx)

Related Cases:
SA CV 03-1610-JW (MLGX)
SA CV 03-1800-JW (MLGX)
SA CV 03-1801-JW (MLGX)
SA CV 03-1803-JW (MLGX)
SA CV 03-1804-JW (MLGX)
SA CV 03-1805-JW (MLGX)
SA CV 03-1807-JW (MLGX)

PLAINTIFF ACACIA MEDIA TECHNOLOGIES CORPORATION'S OPPOSITION TO DEFENDANTS' CLAIM CONSTRUCTION BRIEF RE: CLAIM TERMS IN THE '702 PATENT

DATE: May 19, 2004
TIME: 9:00 a.m.
CTRM: Hon. James Ware

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I. INTRODUCTION

Acacia hereby provides its opposition to defendants' proposed claim constructions for the terms in the '702 patent.

Defendants' proposed claim constructions are erroneous for many reasons—too many to fully address in this introduction. Most notable of defendants' errors relates to the terms "identification encoder" and "sequence encoder." These terms connote structure, as a matter of law, and therefore these terms are not construed as means-plus-function claims. This cannot be disputed. The Federal Circuit in Personalized Media (a case relied on by defendants) held that a very similar claim term—"digital detector"—connotes structure and therefore that claim term cannot be construed as a means-plus-function term. Personalized Media supports Acacia's position. Defendants have not met their burden of proving invalidity of the claims of the '702 patent by clear and convincing evidence.

Each of defendants' proposed constructions invite the Court to commit legal error. The Court should not accept defendants' invitation; it should adopt the constructions proposed by Acacia in its briefs.

II. THE COURT SHOULD NOT ADOPT DEFENDANTS' PROPOSED CONSTRUCTIONS

A. "A Transmission System At A First Location In Data Communication With A Reception System At A Second Location"

Acacia construes this phrase as:

> at least one transmission system, i.e., an assembly of elements, such as people, machines, and/or methods, capable of functioning together to transmit signals wherein the transmission system may be located at one facility or may be spread over a plurality of facilities, and at least one reception system, i.e., an assembly of elements, such as people, machines, and/or methods, capable of functioning together to receive signals, wherein the transmission

system(s) and reception system(s) are at different locations and wherein encoded information may move between the transmission and reception system(s) by means of communication techniques.

Defendants construe this phrase as: "an assembly of elements, located at a single first premises, that function together to transmit electrical signals to an assembly of elements, located at a second single premises, that function together to receive the transmitted electrical signals, when the transmitting assembly of elements and the receiving assembly of elements are connected so that electrical signals may be transferred between them." Acacia has set forth below each instance where Acacia and Defendants disagree as to terms within this phrase, and explain why Acacia's proffered construction is the legally correct construction.

1. The word "system" should be construed as "an assembly of elements, such as people, machines, and/or methods," and not simply as "an assembly of elements."

Although both Acacia and Defendants construe "systems" as an "assembly of elements," the inclusive meaning of "elements," consistent with the patent specification and relevant dictionary definitions should be used. Without explaining in a jury instruction that system "elements" can include "people, machines, and/or methods," Acacia justifiably fears that its patent claims will not be construed to the full scope of its invention.

The Federal Circuit requires that courts give a claim term the full range of its ordinary meaning. Rexnord Corp. v. The Laitram Corp., 274 F.3d 1336, 1342 (Fed. Cir. 2001) ("In addition, unless compelled to do otherwise, a court will give a claim term the full range of its ordinary meaning as understood by an artisan of ordinary skill.") Here, the full range of the ordinary meaning of the phrase "transmission system" and "reception system" includes the fact that the elements of the system may include people, machines, and methods. This ordinary meaning is found in the IEEE Dictionary in the definition of the term "system." It should be included together with the IEEE Dictionary definition of "transmission system." Texas Digital Systems, Inc. v. Telegenix, Inc., 308 F.3d 1193, 1203 (Fed. Cir. 2002) ("If more than one dictionary definition is consistent with the use of the words in the intrinsic record, the claim terms may be construed to encompass all such consistent meanings.")

The fact that the transmission system (and the reception system, which in the context of this claim phrase is the reciprocal of the transmission system[1]) may include people, machines, and methods in the system is consistent with the specification of the '702 patent. ('702 patent, 8:29-32; 10:36-39; 10:59-63; and 14:13-26).

2. The phrase "a transmission system at a first location" should be construed as a transmission system located at one facility or a plurality of facilities, not located "at a single, first premises," as Defendants contend.

The '702 patent specification states that the transmission system may either be located in one facility or may be spread over a plurality of facilities. ('702 patent, 5:58-60). This feature of the transmission system should be included in the construction of the phrase "transmission system," because it is the system that is described by the inventors in the '702 patent. If the Court were not to include the fact that the transmission system may be located in more than one facility, then the construction could be interpreted exclude transmission systems located in multiple facilities. Such a construction would be improper, because it would be inconsistent with the inventors' disclosure of the transmission system in the '702 patent. Masco Corp. v. U.S., 303 F.3d 1316, 1325 (Fed. Cir. 2002) ("Masco's proposed definition of 'drive' to encompass pulling actions is inconsistent with the specification of the '068 patent and with the prosecution history of the '068 patent and its parent patent.") Defendants' improperly ignore this described feature of the transmission system in their construction of the phrase "transmission system."

[1] Defendants state that the reception system is the reciprocal of the transmission system. (Defendants' Opening Brief at 9:2-4).

The claim language, even though it states "a transmission system at a first location," is consistent with a single location being geographically broad enough to encompass a plurality of facilities. It is clear from the context of the words of claims 1, 17 and 27 that the limitation "at a first location" is used in contradiction to the "reception system at a second location." So long as no elements of the transmission system are at the location of the reception system, the location elements of the claim would be met.

The arguments asserted by Defendants for a contrary construction rely on two incorrect legal arguments: (1) that the terms "a first location" and "a second location" "must be construed to mean a single location" (Defendants' Opening Brief at 10:28-11:1); and (2) that the inventors intended the term "location" to mean a "premises," because they had made such a statement in a prior related patent. Because neither argument is correct, defendants' proposed construction must fail.

Notably, Defendants' legal arguments in its opening brief are contradicted by their original construction of "a first location" and "a second location" in their discovery responses. In their discovery responses, defendants did not contend that the first and second locations each means a single location, nor did they contend that the term "location" means a premises, rather than location. Instead, defendants contended that "[t]he transmission system and the reception system must be at different locations." (Exhibit 13 at p. 124 to Block Decl.) Acacia agreed with this construction, and therefore Acacia adopted defendants' construction in its supplemental claim constructions, which the parties exchanged on May 4, 2004, and in its claim construction brief.[2] (Exhibit 15 to Block Decl.).

[2] Acacia's original construction, which defendants had in their possession when defendants made their original construction, was very similar to defendants' original construction. Acacia contended that the first and second locations were not absolute locations, but rather locations that were relative to one another. Thus, the term "first location" means anywhere other than the second location and the term "second location" means anywhere other than the first location. (Exhibit 22 to Block Supp. Decl.)

a) The Article "A" in the Phrases "A First Location" And "A Second Location" Is Legally Construed To Mean "One Or More Than One"

Defendants' contention that the terms "a first location" and "a second location" each "must be construed to mean a single location" is incorrect as a matter of law. This construction is inconsistent with the specification of the '702 patent, which states that the transmission system may be located in one or more facilities. ('702 patent, 5:57-60).

All of the claims of the '702 patent use the open ended transitional term "comprising"[3] in its preamble:

> "1. A communication system comprising:
>
> a transmission system at a first location in data communication with a reception system at a second location."

(Claim 1 of the '702 patent; emphasis added).

The Federal Circuit has held that, the articles "a" or "an" mean "one or more than one," in claims which use the open ended transitional term "comprising." Elkay Mfg. Co. v. Ebco Mfg. Co., 192 F.3d 973, 977 (Fed. Cir. 1999) ("While the article 'a' or 'an' may suggest 'one,' our cases emphasize that 'a' or 'an' can mean 'one' or 'more than one,' depending on the context in which the article is used.... The asserted claims, however, use the open term 'comprising' in their transition phrases. We therefore hold that the plain meaning of 'an upstanding feed tube ... to provide a hygienic flow path for delivering liquid from ... and for admitting air ... into said container' is not necessarily limited to a single feed tube with a single flow path for both liquid and air."); Abtox, Inc. v. Exitron Corp., 122 F.3d 1019, 1023 (Fed. Cir.

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[3] The transitional term "comprising" is a term of art used in claim language which means that the named elements are essential, but other elements may be added and still form a construct within the scope of the claim. Genentech, Inc. v. Chiron Corp., 112 F.3d 495, 501 (Fed. Cir. 1997).

1997) ("The article 'a' suggests a single chamber. However, patent claim parlance also recognizes that an article can carry the meaning of 'one or more,' for example in a claim using the transitional phrase 'comprising.'") citing, North American Vaccine, Inc. v. American Cyanamid Co., 7 F.3d 1571, 1575-76 (Fed. Cir. 1993).

Here, because the claims use the transitional phrase "comprising" and because the article "a" appears in the phrases "a first location" and "a second location," these phrases must be construed to mean: "one or more than one first location" and "one or more than one second location."[4]

Defendants are therefore wrong to argue that these phrases "must be construed to mean a single location." This proposition is not supported by Federal Circuit law under the facts of this case. Defendants cite no case which supports its position and there is clear, controlling Federal Circuit precedent to the contrary.

Thus, the phrases "a first location" and "a second location" are construed to mean "one or more first location" and "one or more second location."

b) The Inventors Statements Made During Prosecution Of The '720 Patent Regarding "Premises" Have No Effect On The Claims Of The '702 Patent

Defendants discuss the prosecution history of the related U.S. Patent No. 6,002,720 (the '720 patent) and argue that the term "location" in the claims of the '702 patent must be interpreted to mean "premises." Defendants fail to inform the Court that the claims that were at issue in the '720 patent claimed a different system. The term "location" used in the claims of the '720 patent during its prosecution does not refer to the location of the transmission system or the reception system. Rather it refers to the location selected by the user who is accessing the system, to which the information is to be delivered.

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[4] See, 3M Innovative Products Co. v. Avery Dennison Corp., 350 F.3d 1365, 1371 (Fed. Cir. 2003) ("The use of the terms 'first' and 'second' is a common patent-law convention to distinguish between repeated instances of an element or limitation.").

The discussion of the term "location" in the '720 patent file history related only to pending claims 43 and 44. (See, Exhibit HH at pp. 435; 439-440 to Miller Decl.). Claim 43 states: "[a] transmission system responsive to input from a user positioned at an accessing location for transmitting information to premises selected by the user, the transmission system comprising ..." The discussion of the prior art and the statement by the inventors relating to locations and premises related to the place to which information will be transmitted when that place may be other than the place where the user accesses or requests the information. (Exhibit HH at pp. 435; 439-440 to Miller Decl.). Because the '720 patent refers to a different claim limitation (position of a user accessing the transmission system) than that which is being construed in the '702 patent (locations of the transmission and reception system), the Court cannot consider this portion of the '720 patent file history in construing terms in different limitations in the '702 patent claims. See, Medtronic, Inc. v. Advanced Cardiovascular Systems, Inc., 248 F.3d 1303, 1315 (Fed. Cir. 2001) ("However, none of the claims of the '732 patent contain the same limitation that we are construing from the '727 patent. Accordingly, we decline Medtronic's invitation to consider the '732 patent's prosecution history for the purpose of construing the limitation in question.")

The Court should therefore not construe the term "location" to be "premises."

3. Defendants' Proposed Construction Of "Data Communication" Is Erroneous, Because It Deviates From The Ordinary Meaning Of This Phrase

Defendants' proposed construction of "data communication" is erroneous, because it is not the ordinary meaning of the phrase and there is no basis in the specification for deviating from the ordinary meaning.

In their brief, defendants note that the IEEE Dictionary provide two definitions for data communication: (1) the movement of encoded information by means of communication techniques; and (2) a data transfer between data source and data destination via one or more data links. (Defendants' Opening Brief at 9:17-22). In their discovery responses Defendants had embraced the first IEEE Dictionary definition, but now Defendants dismissively argue that "the definitions are not particularly useful."[5] Instead, defendants contrive their own definition, a definition which defendants do not support with a dictionary, or with the specification or file history of the '702 patent. That defendants seemingly find their own fanciful definition, apparently totally imagined by defendants, more "useful" provides no basis whatsoever for adopting defendants construction.

There is a heavy presumption that claim terms take on their ordinary meaning. CCS Fitness, Inc. v. Brunswick Corp., 288 F.3d 1359, 1366 (Fed. Cir. 2002). Defendants cannot overcome this heavy presumption with cavalier statements that the ordinary meaning is "not particularly useful." Defendants have not justified their deviation from the ordinary meaning of data communication as set forth in the IEEE Dictionary and which they originally embraced.

Thus, the phrase "data communication" is construed consistent with its ordinary meaning to mean "the movement of encoded information by means of communications techniques."

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[5] In their original discovery responses, defendants proposed that "data communication" be construed in accordance with the first definition in the IEEE Dictionary as "the movement of encoded information by means of communications techniques." (Exhibit 11 at p. 101 to Block Decl.). For the majority of this case, defendants found the IEEE Dictionary definition to be satisfactory. This was even after defendants were able to consider Acacia's construction, which included the two IEEE Dictionary definitions now abandoned by defendants.

The parties agreed to supplement their discovery constructions by exchanging supplemental constructions on May 4, 2004. In reliance on defendants' construction of "data communications" and in an effort to reduce the number of disputes between the parties over the construction of claim terms, Acacia supplemented its construction of "data communication" by adopting the construction proposed by defendants. (Exhibit 15 to Block Decl.). Meanwhile, at the same time, defendants changed their construction to deviate from the ordinary meaning they originally embraced to a new, unsupported definition.

B. Defendants' Indefiniteness Arguments Regarding The Terms "Sequence Encoder And "Identification Encoder" Fail As A Matter Of Law

Defendants' contend that the terms "sequence encoder" and "identification encoder" are indefinite under 35 U.S.C. § 112, ¶ 2. Defendants argue that these terms are both "functional" terms and therefore do not connote any structure. As a result, according to defendants, the "identification encoder" term should be construed as means-plus-function claim terms under 35 U.S.C. § 112, ¶ 6. Defendants argue that the specification does not contain sufficient corresponding structure for the "identification encoder," making the identification encoder term indefinite.

With respect to "sequence encoder," defendants, in a lengthy discussion of prior art references, conclude that no function for the "functional" term "sequence encoder" is recited in claims 1 and 17, and therefore § 112, ¶ 6 does not apply to the "sequence encoder" term. Nevertheless, without explanation, defendants conclude that the "sequence encoder" term is also indefinite.

Defendants' arguments are without merit. Defendants' reliance on Personalized Media Communications, L.L.C. v. International Trade Commission, 161 F.3d 696 (Fed. Cir. 1998) is misplaced. As discussed below, Personalized Media held that a claim term very similar to the terms at issue here—"digital detector"—comprised structure and therefore, as a matter of law, could not be construed as a means-plus-function claim term. The Federal Circuit also held the term to be definite. Rather than supporting defendants' position, Personalized Media actually supports Acacia's position that these terms themselves connote sufficient structure. The Federal Circuit's decision in Greenberg v. Ethicon Endo-Surgery, Inc., 91 F.3d 1580 (Fed. Cir. 1996) is also on point, because, in that case, the court held that even claim terms defined in functional terms are sufficient structure to avoid application of § 112, ¶ 6.

In considering these indefiniteness issues, the Court must be mindful that defendants are seeking to invalidate the claims of the '702 patent. The claims of the '702 patent are presumed valid and defendants can only overcome this presumption with clear and convincing evidence, which they have not done. Intellectual Property Development, Inc. v. UA-Columbia Cablevision of Westchester, Inc., 336 F.3d 1308, 1319 (Fed. Cir. 2003).

Further, the issue of indefiniteness is determined by what is understood by persons skilled in the art when reading the claims in light of the specification. Atmel Corp. v. Information Storage Devices, Inc., 198 F.3d 1374, 1378 (Fed. Cir. 1999). Defendants ignore this standard in their brief, and, in fact, attempt to mislead the Court by arguing that "whether or not defendants present testimony from an expert in claim construction issues has no bearing on the Court's ability to make the legal determination of whether a claim satisfies § 112, ¶ 2 by providing sufficient structure." (Defendants' Opening Brief, at 6:27 - 7:1). Defendants invite legal error by instructing the Court to determine issues of indefiniteness without even considering expert testimony. Atmel, 198 F.3d at 1380 (court erred by failing to assess indefiniteness based on the understanding of one skilled in the art.)

1. The Terms "Sequence Encoder" And "Identification Encoder" Connote Structure

The Federal Circuit in Personalized Media held a claim term, "digital detector," is sufficient structure to avoid § 112, ¶ 6 treatment. The claim term was held to be definite.

In Personalized Media, the Administrative Law Judge ("ALJ") (this case was on appeal from the International Trade Commission) held that the "digital detector"[6] in the claims was construed as a means-plus-function claim term under § 112, ¶ 6 and found that the specification lacked a specific structure for the digital detector, because the specification described the digital detector in functional terms. Personalized Media, 161 F.3d at 700. The ALJ thus held the term "digital detector" to be indefinite and thus held the claims to be indefinite. Id. at 700-01.

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[6] In the claims at issue in Personalized Media, the phrases were: (1) "a digital detector for receiving said transmission and detecting said predetermined signal in said transmission based on either a specific location or a specific time;" and (2) "a digital detector for receiving at least some information of said transmission and detecting said specific signal at a specific location or time." Personalized Media, 161 F.3d at 698-99.

The Federal Circuit reversed the ALJ, finding that the term "digital detector" communicates sufficient structure. The court only had to look to dictionary definitions of "detector" to determine that the term "detector" had a well-know meaning as being structure to those of skill in the electrical arts:

> The "digital detector" limitation does not use the word "means," and therefore this limitation is presumed not to invoke § 112, ¶ 6. Neither intrinsic nor extrinsic evidence rebuts this presumption because the term "detector" is a sufficient recitation of structure. "Detector" is not a generic structural term such as "means," "element," or "device"; nor is it a coined term lacking a clear meaning, such as "widget" or "ram-a-fram." Instead, as noted by the ALJ by reference to dictionary definitions, "detector" had a well-known meaning to those of skill in the electrical arts connotative of structure, including a rectifier or demodulator. No other extrinsic evidence, including the expert testimony, and no evidence intrinsic to the patent casts doubt on this conclusion.

Personalized Media, 161 F.3d at 704-705.

The court discussed the fact that the ALJ's analysis centered around the ambiguity raised by the phrase "digital detector." Personalized Media, 161 F.3d at 705. The Federal Circuit found no ambiguity caused by this phrase, and in fact found that the term "digital" further narrowed the scope of detectors and made the term even more definite:

> However, an adjectival qualification ("digital") placed upon otherwise sufficiently definite structure ("detector") does not make the sufficiency of that structure any less sufficient for purposes of § 112, P 6. Instead, it further narrows the scope of those structures covered by the claim and makes the term more definite. The use of the word "digital" in conjunction with the word "detector" merely places an additional functional constraint (extraction of digital information) on a structure (detector) otherwise adequately defined.

Personalized Media, 161 F.3d at 705.

Having determined that the term "digital detector" is not construed under § 112, ¶ 6, the court next considered whether the term was indefinite. The court found that the term "digital detector" was definite, because the specification of the patent sufficiently defines the "digital detector" as a device. Personalized Media, 161 F.3d at 705-706 ("Here, the written description of the specification is sufficient to inform one skilled in the art of the meaning of the claim language "digital detector." It explicitly defines a "digital detector" as a device that "acts to detect the digital signal information" in another stream of information.)

The Greenberg case is also on point. In Greenberg, the claim language was "detent mechanism defining cojoint rotation of said shafts." The court found that, although the particular mechanism—"detent mechanism"—was defined in functional terms, this was insufficient to convert that claim element into a means-plus-function claim term. Greenberg, 91 F.3d at 1583. The court discussed the fact that, although many devices take their names from the functions that they perform, this is insufficient to "convert a claim element containing such a term" to a means-plus-function claim term:

> First, the fact that a particular mechanism—here "detent mechanism"—is defined in functional terms is not sufficient to

> convert a claim element containing that term into a "means for performing a specified function" within the meaning of section 112(6). Many devices take their names from the functions they perform. The examples are innumerable, such as "filter," "brake," "clamp," "screwdriver," or "lock." Indeed, several of the devices at issue in this case have names that describe their functions, such as "graspers," "cutters," and "suture applicators." "Detent" (or its equivalent, "detent mechanism") is just such a term. Dictionary definitions make clear that the noun "detent" denotes a type of device with a generally understood meaning in the mechanical arts, even though the definitions are expressed in functional terms.

Greenberg, 91 F.3d at 1583.

In Greenberg, it was not important that the term "detent" does not call to mind a single well-defined structure. It was enough that the term, as a name for a structure, has a reasonably well understood meaning in the art. Greenberg, 91 F.3d at 1583; Personalized Media, 161 F.3d at 705-06 ("Even though the term "detector" does not specifically evoke a particular structure, it does convey to one knowledgeable in the art a variety of structures known as 'detectors.'")

a) The Term "Encoder" is a Sufficient Recitation of Structure to Avoid § 112, ¶ 6

The claim terms at issue here are "identification encoder" and "sequence encoder." Both claim terms use the word "encoder." The term "means for" is not used. There is thus a presumption that § 112, ¶ 6 does not apply to these claim terms.

The term "encoder" has a well-known meaning to persons of skill in the art as connoting structure.

"Encoder" is defined in the IEEE Dictionary, Fifth Edition as structure: "1. a network or system in which only one input is excited at a time and each input produces a combination of outputs; 2. a device that performs encoding; 3. a device or system that encodes data." (Exhibit 11 at p. 103 to Block Decl.).

"Encoder" is defined in the McGraw-Hill Electronics Dictionary, Fifth Edition (1994) as structure: "2. A circuit that performs repeated sampling, compression, and analog-to-digital conversion to convert an analog signal to a serial stream of pulse-code modulated (PCM) samples representing the analog signal." (Exhibit 23 to Block Supp. Decl.).

"Encoder" is defined in the Dictionary of Computing, Third Edition (1990) as structure: "1. the means by which an encoding process is effected (see code). It may be implemented in hardware or software, the process being algorithmic in nature; 2. a logic circuit, usually an integrated circuit, that generates a unique n-bit binary word, indicating which of its 2^n input lines is active, i.e., at logic 1. A keyboard encoder, for example, may be required to generate a unique binary code indicating which key on the keyboard has been pressed. If two or more of the device inputs can be active simultaneously then a priority encoder is required, which usually encodes only the highest-order data input."

Thus, the term "encoder" has a well-known meaning to those of skill in the art as connoting structure—encoders are defined in dictionaries as being embodied in a network, a system, a device, a circuit, hardware, software, a logic circuit, an integrated circuit, or a keyboard. See, Personalized Media, 161 F.3d at 704-05.

The fact that the term "encoder" may be defined in terms of its function is insufficient to show that the term "encoder" does not connote structure. See, Greenberg, 91 F.3d at 1583 ("Many devices take their name from the functions they perform.... Dictionary definitions make clear that the noun 'detent' denotes a type of device with a generally understood meaning in the mechanical arts, even though the definitions are expressed in functional terms."); Personalized Media, 161 F.3d at 705 ("Even though the term 'detector' does not specifically evoke a particular structure, it does convey to one knowledgeable in the art a variety of structures known as 'detectors.'")

b) The Term "Identification Encoder" is Also Sufficient Structure

Like the word "digital" in the "digital detector" in Personalized Media, the word "identification" in "identification encoder" is an adjectival qualification placed on otherwise sufficiently definite structure. The specification describes the "identification encoder" as an encoder which "gives a unique identification code to an item." ('702 patent, 6:31-35). The identification encoder also optionally logs details about the item (program notes), assigns the item a popularity code, maps item addresses to item names, and operates a program which updates a master item database. ('702 patent, 6:34-39; 10:45-46; 10:52-58; 12:4-5). See, Personalized Media, 161 F.3d at 705-06 ("Here, the written description of the specification is sufficient to inform one skilled in the art of the meaning of the claim language 'digital detector.' It explicitly defines a 'digital detector' as a device that 'acts to detect the digital signal information' in another stream of information.")

c) The term "Sequence Encoder" is Also Sufficient Structure

Although the term "sequence encoder" is not used in the specification of the '702 patent, the specification of the '702 patent is also sufficient to inform persons of skill in the art of the meaning of the term "sequence encoder" as structure. The specification discloses a time encoder, which functions to place blocks of converted format information from converter 113 into a group or sequence of addressable data blocks by assigning relative time markers to data prior to subsequent compression. ('702 patent, 7:57-59; 8:6-9; 8:46-49; Fig. 2a). From this description in the specification, it is clear that the time encoder is a sequence encoder. Defendants admit that the time encoder disclosed in the specification is sufficient structure.[7] (Defendants' Opening Brief at 29:17-20).

Thus, the terms "sequence encoder" and "identification encoder" connote sufficient structure, and the presumption that § 112, ¶ 6 does not apply cannot be overcome. These claim terms are therefore not construed pursuant to § 112, ¶ 6 and the Court does not have to determine whether the specification discloses sufficient structure.

2. Defendants' Arguments That The Claim Terms Are Not Sufficient Structure Are Incorrect

a) Defendants Have Not Shown That The Term "Encoder" Does Not Connote Structure

Defendants recite the definitions for "encoder" from the IEEE Dictionary, and argue that, because these definitions use the terms "device" and "system," the term "encoder" is "purely functional." (Defendants' Opening Brief at 15:1-8). It is irrelevant that the definition of the term "encoder" includes terms, such as "device" and "system," because those terms (device or system or the like) do not appear in the claims of the '702 patent. The claim term is "encoder;" not "device" or "system."

Regardless, even if "encoder" is defined in functional terms, this is insufficient to convert the claim term into a means-plus-function term. As shown by the dictionary definitions, the term "encoder" is a type of device that is generally

[7] Defendants' positions in their brief as to whether the disclosure in the specification is sufficient to connote structure are at odds. On the one hand, defendants contend that the time encoder is sufficient structure but, on the other hand contend that the identification encoder, as described in the specification, is not sufficient structure. The specification describes the identification encoder in at least as much detail as the time encoder and both are described in as least as much detail as was the "digital detector" in Personalized Media. See, Personalized Media, 161 F.3d at 705-06 ("Here, the written description of the specification is sufficient to inform one skilled in the art of the meaning of the claim language 'digital detector.' It explicitly defines a 'digital detector' as a device that 'acts to detect the digital signal information' in another stream of information.").

understood in the field of computers, communications, and electronics to be structure. See, Greenberg, 91 F.3d at 1583.

The term "encoder" connotes structure.

b) Defendants Have Not Shown That "Identification Encoder" Does Not Connote Structure

Defendants contend that the term "identification encoder" does not connote structure. Defendants argue, without any support, that "[t]he term 'identification encoder' does not have any meaning to those of skill in the art that connotes structure." (Defendants' Opening Brief at 14:1-2).

This statement is untrue. The term "identification encoder" has meaning to those of skill in the art which connotes structure. Many United States patents disclose structures called "identification encoders." (Exhibits 24-27 to Block Supp. Decl.).[8] Defendants argue that such patents "employ the term 'identification encoder' in a purely functional fashion to encompass whatever structure is disclosed in the particular patent." (Defendants' Opening Brief at 14:14-17). In other words, the term "identification encoder" is used in these patents to connote structure. Thus, even according to defendants, those of skill in the art use the phrase "identification encoder" to connote structure.

Defendants further argue that a statement by the inventors during the prosecution of the '702 patent, when amending claim 1, somehow means that the identification encoder has a function, but no structure. (Defendants' Opening Brief at 15:23 - 17:2). During prosecution, the inventors added the phrase "wherein said identification encoder gives items in said compressed data library a unique identification code" to claim 1 and stated that this amendment was made to "more clearly define the function of the identification encoder." (Exhibit GG at pp. 161, 165

[8] Attached to the Block Supp. Decl. at Exhibit 24-27 are four U.S. patents 4,425,754; 4, 087,753; 4,994,916; 5,204,900, respectively, each of which describes structures called "identification encoders." For the Court's convenience, each reference to "identification encoder" in the patents is marked.

to Miller Decl.) Structures, like the identification encoder, have functions, and this statement shows that the inventors construed the identification encoder as a structure with a function. A structure term is not converted to a function, merely because the structure's function is stated.

Thus, the term "identification encoder" connotes structure.

c) Defendants Have Not Shown That "Sequence Encoder" Does Not Connote Structure

Defendants argue that "sequence encoder" does not connote sufficient structure. Although it is correct that "sequence encoder" does not appear in any dictionary, it still communicates structure. Moreover, Defendants' contention that the term is "simply a term the applicants coined by sticking a word in front of 'encoder'" is untrue. (Defendants' Opening Brief at 18:4-7). Sequence encoders were well-known to persons skilled in the art as structures and were described in many United States patents.[9] (Exhibits 28-31 to Block Supp. Decl.).

Thus, the term "sequence encoder" connotes structure.

3. Even If The Term "Identification Encoder" Is Construed Under § 112, ¶ 6, There Is Sufficient Structure In The Specification

Defendants contend that the "identification encoder" term is indefinite, because the specification does not disclose sufficient structure to perform the claimed function—giving items in the compressed data library a unique identification code.

The issue of whether the specification discloses sufficient structure to support a means-plus-function claim term is based on the understanding of one of ordinary skill in the art. Atmel, 198 F.3d at 1380 ("we thus conclude that the district court erred by failing to assess whether sufficient structure was disclosed in the specification to support the high-voltage means limitation based on the understanding of one of ordinary skill in the art.")

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[9] Attached to the Block Supp. Decl. at Exhibits 28-31 are four U.S. patents 3,439,341; 4,890,283; 5,097,410; 5,127,021, respectively, each of which describes structures called "sequence encoders." For the Court's convenience, each reference to "sequence encoder" in the patents is marked.

Because patents do not need to include subject matter that is known in the field of the invention, "a patent need not teach, and preferably omits, what is well known in the art." Hybritech, Inc. v. Monoclonal Antibodies, Inc., 802 F.2d 1367, 1384 (Fed. Cir. 1986). The Federal Circuit, in S3, Inc. v. Nvidia Corp., 259 F.3d 1364, 1370-71 (Fed. Cir. 2001), followed this rule in finding sufficient structure in the specification for "a means ... for selectively receiving." The patent specification recited only a "selector," without describing its electronic structure or the details of its operation. Id. at 1370. The Federal Circuit held that this reference in the specification was sufficient structure, because the selector could be implemented by persons skilled in the art. Id. at 1371.

The specification of the '702 patent describes the "identification encoder" as an encoder which "gives a unique identification code to an item."[10] ('702 patent, 6:31-35). The identification encoder also optionally logs details about the item (program notes), assigns the item a popularity code, maps item addresses to item names, and operates a program which updates a master item database. ('702 patent, 6:34-39; 10:45-46; 10:52-58; 12:4-5). As shown above, encoders are well known to persons skilled in the art, as are identification encoders.

As discussed in Acacia's Opening Brief, the term "identification encoder" is given its ordinary meaning and it should be construed as: "a device or software capable of expressing the identification of an item in terms of a code."

4. The Term "Sequence Encoder" Is Sufficiently Definite

Defendants contend that claims 1 and 17 (the independent claims in which "sequence encoder" appears) do not recite a function for the "sequence encoder" in

[10] In other words, the identification encoder is used to "express a single character or message in terms of a code." This is the first definition in the IEEE Dictionary for "encode." Thus, an identification encoder, as used in the specification, is a device which expresses a single character or message in terms of a code.

the claim.[11] (Defendants' Opening Brief at 18:18 - 23:7). From this, defendants conclude that the § 112, ¶ 6 analysis does not apply.[12] Defendants therefore contend that claims 1 and 17 of the '702 patent are invalid under 35 U.S.C. § 112, ¶ 2 for being indefinite.

The determination whether a claim is invalid as indefinite "depends on whether those skilled in the art would understand the scope of the claim when the claim is read in light of the specification." Atmel, 198 F.3d at 1378. As with all challenges to the validity of a patent claim, the claim is presumed valid and the challenger bears the burden of proving invalidity by clear and convincing evidence. Thus, "close questions of indefiniteness in litigation involving issued patents are properly resolved in favor of the patentee." Bancorp Services, L.L.C. v. Hartford Life Insurance Co., 359 F.3d 1367 (Fed. Cir. March 1, 2004). A claim is not indefinite "merely because it poses a difficult issue of claim construction; if the claim is subject to construction, i.e., it is not insolubly ambiguous, it is not invalid for indefiniteness." Id.

[11] Defendants reach the conclusion that no function is recited in claims 1 and 17 of the '702 patent by an exhaustive study of the comments made by the Examiner in the file history of the '702 patent regarding prior art patents. Defendants treatment of the file history, besides being over-drawn and confusing, is not relevant to the construction of the term "sequence encoder." This is because defendants only describe the examiner's comments regarding "sequence encoder." The inventors were silent in response to the examiner's comments. An examiner's statement cannot be used to construe a claim term, where the inventor responded to the examiner's statement with silence. 3M Innovative Properties, 350 F.3d at 1373-74 ("the examiner's statement does not constitute a clear and unmistakable surrender of claim scope.... An applicant's silence in response to an examiner's characterization of a claim does not reflect the applicant's clear and unmistakable acquiescence to that characterization if the claim is eventually allowed on grounds unrelated to the examiner's unrebutted characterization.")

[12] In reaching this conclusion, defendants also refer to claim 7 of the '702 patent and the doctrine of claim differentiation. (Defendants' Opening Brief at 19:11-18). As discussed by Acacia, the "sequence encoder" is construed as a time encoder, because this is the only structure disclosed in the specification for the sequence encoder. As a result, the sequence encoder of claims 1 and 7 can only be supported by the time encoder. The doctrine of claim differentiation is not a rigid rule and it cannot be used to broaden claims beyond their correct scope. Multiform Dessicants, Inc. v. Medzam, Ltd., 133 F.3d 1473, 1480 (Fed. Cir. 1998); Wang Laboratories, Inc. v. America Online, Inc., 197 F.3d 1377, 1384 (Fed. Cir. 1999); Toro Co. v. White Consolidated Industries, Inc., 199 F.3d 1295, 1301 (Fed. Cir. 1999). Thus, claims that are written using different words may ultimately cover the same subject matter.

Defendants contend that, because claims 1 and 17 do not define the function performed by the "sequence encoder," the claims are indefinite. A system claim, such as claims 1 and 17, recites a series of elements. There is no requirement that the claim recite a function for each of the elements. Although it is their burden to do so, defendants have not shown how one of skill in the art would understand the scope of this claim when read in light of the specification.

Although the term "sequence encoder" is not used in the specification of the '702 patent, when this term is read in light of the specification of the '702 patent, it is clear that persons of skill in the art would understand that the "sequence encoder" refers to the time encoder. The time encoder functions to place blocks of converted formatted information from converter 113 into a group or sequence of addressable data blocks by assigning relative time markers to data prior to subsequent compression. ('702 patent, 7:57-59; 8:6-9; 8:46-49; Fig. 2a). Defendants admit that the time encoder disclosed in the specification is sufficient structure. (Defendants' Opening Brief, at 29:18-19).

Thus, the "sequence encoder" term of claims 1 and 17 of the '702 patent is sufficiently definite. As discussed in Acacia's Opening Brief, the term "sequence encoder" is limited by the specification to "a time encoder, i.e., a device or software which places blocks of converted formatted information into a sequence or group of addressable data blocks by assigning relative time markers to data prior to subsequent compression."

C. Defendants' Proposed Construction Of "Transceiver" Is Erroneous, Because It Relies On Dictionary Definitions That Are Inconsistent With And Not Supported By The Specification

Defendants' proposed construction for "transceiver" is erroneous, because it is inconsistent with the use of the word "transceiver" by the inventors. Defendants contend that the claim term "transceiver" is limited to "radio" transmitting and receiving equipment in a "common housing" or "single housing" for "portable or mobile use" employing "common circuit components" for both transmitting and receiving. (Defendants' Brief at 27, 19-26).

Defendants' proposed construction is erroneous because it wrongly includes the limitations of "radio," "common or single housing," "portable or mobile use," and "common circuit components." These are extraneous limitations which are inconsistent with the specification of the '702 patent. These limitations are also not found in the many other relevant dictionary definitions for "transceiver." Acacia's four dictionaries define "transceiver" as "a device capable of both sending and receiving data."[13] (Acacia's Opening Brief at 26:1-12). There is no evidence in the patent documents that the inventors meant to limit the term "transceiver" or to deviate from the ordinary meanings given in these dictionaries.

Defendants support their erroneous construction with the Fifth Edition of the IEEE Dictionary and Webster's. The fact that these dictionary definitions can be found by defendants does not mean that this is the ordinary meaning of the term "transceiver" which the Court must accept. As with every dictionary definition, the Court must always consult the specification to determine whether the dictionary definition is consistent with the inventors' use of the term in the patent. Brookhill-Wilk 1, LLC v. Intuitive Surgical, Inc., 334 F.3d 1294, 1300 (Fed. Cir. 2003) ("In construing claim terms, the general meanings gleaned from reference sources, such as dictionaries, must always be compared against the use of the terms in context, and the intrinsic record must always be consulted to identify which of the different possible dictionary meanings is most consistent with the use of the words by the inventor.")

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[13] Defendants rely on the Fifth Edition of the IEEE Dictionary, whereas Acacia relies on the Sixth Edition of the IEEE Dictionary. The Fifth Edition was published in 1993; the Sixth Edition was published in 1996. Both are relevant to determining the meaning of terms in the '702 patent. The '702 patent was issued in 2000. The Federal Circuit has held that dictionary definitions which are publicly available when the patent issued are objective resources which may be consulted by the Court. Texas Digital, 308 F.3d at 1202 ("Dictionaries, encyclopedias and treatises, publicly available at the time the patent issued, are objective resources that serve a reliable sources of information on the established meanings that would have been attributed to the terms of claims by those of skill in the art.").

The Court cannot give a term an ordinary meaning using a definition which contradicts or is inconsistent with the words used by the inventors. See, e.g., CCS Fitness, 288 F.3d at 1366; Vitronics Corp. v. Conceptronic, Inc., 90 F.3d 1576, 1584 n 6 (Fed. Cir. 1996); Texas Digital, 308 F.3d at 1204. If more than one dictionary definition is consistent with the use by the inventor, then the Court shall construe the term to encompass all such consistent meanings. Texas Digital, 308 F.3d at 1204; Rexnord, 274 F.3d at 1343.

Defendants pay lip service to the specification of the '702 patent in looking for consistency with their dictionary definitions. Defendants do nothing more than state the conclusion that their definitions are "consistent" with the patent's use of transceiver and the use of the term in the prosecution history. (Defendants' Opening Brief at 27:26-28). Defendants do not cite to any portion of the specification or prosecution history which they believe to be consistent with their dictionary definitions. They cannot do so, because there is no portion of the specification or file history that is consistent with defendants' dictionary definitions.

Nothing in the specification of the '702 patent or prosecution history states that the transceiver transmits or receives only radio signals. (Acacia's Opening Brief at 26:13-22)[14]. Rather, the specification shows and describes transceivers which transmit and receive signals via a telephone, ISDN, B-ISDN, microwave, DBS (direct broadcast satellite), cable television, MAN (metropolitan area networks), LAN (local area networks), and broadcast. ('702 patent, 4:59-61; 15:29-40; Figure 1g, 2b, and 6). The construction of "transceiver" therefore cannot be limited to radio signals.

Nothing in the specification or prosecution history states that the transceiver must be in a common or single housing. Figure 6 of the '702 patent shows the receiving function of transceiver occurring in one housing (201) and the transmitting

[14] There is a typographical error at line 19 on page 26 of Acacia's brief. The reference should be to Figure 2b of the '702 patent, not Figure 6.

function of the transceiver occurring in another housing (207). The construction of "transceiver" therefore cannot be limited to a common or single housing.

Nothing in the specification or prosecution history states that the transceiver is only for portable or mobile use. The construction of "transceiver" therefore cannot be limited to portable or mobile use.

Nothing in the specification or prosecution history states that the transceiver must employ common circuit components for both transmitting and receiving. Again, Figure 6 of the '702 patent shows the receiving function of the transceiver performed by one set of components (201) and the transmitting function performed by another set of components (207). The construction of "transceiver" therefore cannot be limited to employing common circuit components.

Nothing in the specification or prosecution history states that the transceiver must be "portable or mobile." Whether the transceiver is fixed or is portable or mobile is not discussed in the specification or file history of the '702 patent. This is so, because the inventors intended to cover all types of transceivers, whether fixed, portable, or mobile.

Acacia's construction for transceiver—a device capable of both transmitting and receiving data—is supported by four dictionary definitions and was adopted by the court as the ordinary meaning for transceiver in Inline Connection Corp. v. AOL Time Warner, Inc., 302 F. Supp. 2d 307, 324-25 and n 79 (D. Del. 2004). Acacia's construction is correct, because it is consistent with the specification of the '702 patent. The specification and Figures of the '702 patent show devices which are capable of both transmitting and receiving data, but do not only transmit and receive radio signals, do not need to be housed in a single or common housing, do not need to be portable or mobile, and do not need to utilize common circuitry. The Court should not construe transceiver to add these entirely extraneous and unsupported limitations.

The Court should therefore adopt Acacia's construction for the term "transceiver": "a device that is capable of both transmitting and receiving data."

D. Defendants' Proposed Construction Of "Wherein Said Identification Encoder Allows Entry Of A Popularity Code" Is Erroneous, Because It Impermissibly Seeks To Import Limitations From The Specification

Defendants' proposed construction of the phrase "wherein said identification encoder allows entry of a popularity code" is erroneous, because it impermissibly imports limitations from the specification.

Defendants' proposed construction includes limitations that are not stated in the claim and which are improperly imported from the specification of the '702 patent. For instance, defendants' proposed construction states that the code "is used by the transmission system to determine the appropriate location and media format for storage of the compressed data associated with the code based upon the relative popularity of the compressed data among users of the transmission system."[15]

These limitations cannot be imported from the specification into these claims. The claim phrase at issue says nothing about how the popularity code is used by the transmission system. The claim only states that a popularity code is entered; it says nothing about how the popularity code is used. To construe this phrase so as to require limitations which state how the popularity code is used by the system is wholly improper as a matter of law. Electro Medical Systems, S.A. v. Cooper Life Sciences, Inc., 34 F.3d 1048, 1054 (Fed. Cir. 1994) ("Thus, although the specification may well indicate that certain embodiments are preferred, particular embodiments appearing in a specification will not be read into the claims when the claim language is broader than such embodiment.")

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[15] It is worth noting that, in their initial discovery responses, defendants did not include any of these imported limitations in their construction of this phrase. Defendants' construction was: "[t]his limitation means that the identification encoder, which is a component of the transmission system, enters or updates information about the popularity of an item in the source material library that corresponds to how often the item is or is expected to be requested from the compressed data library." (Exhibit 13 at p. 126 to Block Decl.) Although this construction did not impermissibly import the limitations of how the popularity code is used by the system, it did include the limitation that the item is in the source material library, which is improper, because there is no source material library in the claims which include this phrase.

Nothing in the specification even requires that the popularity code be used to determine the appropriate location and media format for the storage of the compressed data. The specification describes the preferred basis for assigning a popularity code: "[t]he popularity code is preferably assigned on the basis of how often the corresponding item is expected to be requested from the compressed data library 118." ('702 patent, 12:5-8). This is just one basis by which the popularity code may be assigned. The '702 patent does not require that this be the only basis for assigning a popularity code.

The '702 patent further states that the popularity code may be used to determine the most appropriate form of media for storage, but not in every transmission system. The popularity code may be used in this manner only in mixed media systems; i.e., systems having very large compressed data libraries which more cost effective storage is desired:

> This popularity code can be used to determine the most appropriate form media of media for storage of the compressed data in a mixed media system. Mixed media systems are preferably employed as more cost effective storage in very large compressed data libraries 118.

('702 patent, 12:8-12).

Thus, there is no requirement in the '702 patent that the popularity code be used to determine the most appropriate form of media for storage. The '702 patent states that the popularity code can be used this way, but only in mixed media systems. Only some of the systems (those with "very large compressed data libraries") may even be mixed media systems. There is thus no basis for limiting the construction of this phrase to require that the popularity code be used to determine the appropriate location and media format for storage. The '702 patent specification does not impose this requirement and the claim does not impose this requirement. The construction of this phrase should likewise not impose this requirement on the popularity code.[16]

Defendants' proposed construction further states that the popularity code is "based upon the relative popularity of the compressed data among the users of the transmission system." This definition is not found anywhere in the '702 patent. The '702 patent states that the "popularity code is preferably assigned on the basis of how often the corresponding item is expected to be requested from the compressed data library 118." ('702 patent, 12:5-8). This says nothing about "relative popularity among users of the transmission system." There is no basis for defendants to limit their construction of this phrase to the "relative popularity … among the users of the transmission system."

Acacia's proposed construction is consistent with the specification of the '702 and does not impermissibly seek to import limitations from the specification. Acacia construes "popularity code" as "the symbols, letters, or words or combinations thereof used to represent the popularity of a particular item." This is exactly what the '702 patent states: "the popularity code is preferably assigned on the basis of how often the corresponding item is expected to be requested from the compressed data library 118." ('702 patent, 12:5-8).

Accordingly, the Court should adopt Acacia' s proposed construction:

"a popularity code is the symbols, letters, or words or combinations thereof used to represent the popularity of a particular item. The popularity code is entered by the identification encoder."

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[16] The popularity code is not only described in the '702 patent as being used in mixed media systems. It may also be used in system having multiple compressed data libraries. This embodiment is not mentioned by defendants: "[i]n some cases, where multiple compressed data libraries 118 are organized, the popularity code may dictate distribution of a particular item to multiple distribution systems. In such cases, a copy of the compressed data is sent to another library and the other library can then distribute the compressed data to users concurrently with the original compressed data library 118." ('702 patent, 12:41-47). Defendants correctly do not include this use of the popularity code in their proposed construction.

E. Defendants' Proposed Construction Of "Temporary Storage Device" Is Erroneous, Because It Deviates From The Ordinary Meaning Without Any Explanation Or Reason

Defendants' proposed construction for "temporary storage device" is erroneous, because it is not the ordinary meaning of the phrase and there is no basis in the patent specification for deviating from the ordinary meaning of the phrase.

In their brief, defendants set forth the dictionary definitions for "temporary storage" and "temporary" from the IEEE Dictionary and from Webster's, respectively. Using these definitions, defendants state that the phrase "temporary storage device" has the following ordinary meaning: "a storage device capable of storing data on an intermediate, or impermanent basis." (Defendants' Opening Brief at 28:17-19).

Acacia is in agreement with this ordinary meaning for "temporary storage device" and would agree to construing "temporary storage device" as "a storage device capable of storing data on an intermediate, or impermanent basis."

But, defendants do not propose using the definition for "temporary storage device," which they themselves believe to be set forth in the relevant dictionaries. Defendants abandon their dictionary definitions in favor of another definition—"the electronic data in the storage device must be capable of being overwritten." (Defendants; Opening Brief, at 28:19-20). This construction does not follow from the dictionary definitions proposed by the defendants. Where in the phrase "intermediate, or impermanent basis" is it understood that the storage device must be capable of being overwritten?

Defendants provide no reason for their deviation from the dictionary definition for "temporary storage device" and provide no support for their construction in any dictionary or in the specification or the file history of the '702 patent. Defendants' construction, being unsupported by any dictionary or the patent documents, is therefore extrinsic evidence, which the Court cannot consider. Personalized Media, 161 F.3d at 706 ("Extrinsic evidence may not be relied upon during claim construction when the intrinsic evidence unambiguously defines the disputed claim language.")

Both defendants' dictionary definition—"a storage device capable of storing data on an intermediate, or impermanent basis"—and Acacia's proposed construction (based on dictionary definitions)—"a device into which data may be placed, retained for a limited time, and retrieved"—are supported by the specification of the '702 patent. The '702 patent describes the fact that the storage device in the reception system may store only a portion of the item when the system decompresses other portions of the item for immediate viewing. ('702 patent, 4:66-5:7 and 17:38-39; Figure 6).

Defendants' construction of "temporary storage device," which refers to the storage device being capable of being overwritten, is not supported by the specification or file history of the '702 patent. Nothing in the specification or file history states that the storage device must be capable of being overwritten.

Accordingly, the Court should construe the "temporary storage device" in accordance with Acacia's proposed construction—"a device into which data may be placed, retained for a limited time, and retrieved"—or in accordance with defendants' dictionary definitions—"a storage device capable of storing data on an intermediate, or impermanent, basis."

F. Defendants Wrongly Argue That The Court Cannot Correct The Patent Office's Error In Printing Claim 1 Regarding The "Digital Decompressor"

Defendants argue that the Court is not permitted to correct the Patent Office's obvious mistake in printing the '702 patent by printing the word "compressor" in claim 1 instead of "decompressor." Defendants insist that the Court find that claim 1 is invalid for indefiniteness based on the Patent Office's clear error. There is no basis whatsoever for the Court to grant the draconian result sought by defendants—

invalidation of claim 1. The Court should correct the claim to give it the meaning which was intended by the inventors, understood by the examiner, and clear to all who read the patent and/or its file history.

This is not even a close case. Defendants know that this was a Patent Office error, which the Patent Office itself corrected. Yet, in their brief, defendants ignore everything having to do with the '702 patent—its claims, its specification, and its file history—in making the intellectually dishonest argument that "the applicants did not regard a reception system with a 'digital compressor' to be their 'invention.'" (Defendants' Brief at 25:26-28). Of course, the inventors did not regard a reception system with a digital compressor to be their invention—they regarded a reception system with a digital decompressor to be their invention, as this is exactly what they disclosed in their claims, specification, and file history.

This issue should never have been argued at all by defendants. As shown in Acacia's opening brief, the claims, specification, and file history of the '702 patent show that the inventors disclosed and claimed, and the examiner understood, a "digital decompressor."[17] (See, Acacia's Opening Brief at 29:22 - 33:7; '702 patent, claim 1; 17:44-52; Figure 6; and File History, Exhibits 3, 4, 5, 8, and 9 to Block Decl.). Just reading claim 1, as printed, makes clear that the correct term is "decompressor." The Patent Office correctly printed the word "decompressor" in the playback device element of claim 1. This element includes reference to "said digital decompressor," obviously referring to a "digital decompressor" in the previous element, not a "compressor.

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[17] The facts of this case are easily distinguished from those in Novo Industries. In Novo Industries, the Federal Circuit refused to correct the language of the claim, because "the nature of the error is not apparent from the face of the patent." Novo Industries, 350 F.3d at 1357. The parties and the district court had offered four different possible corrections, and the court found that the supporting references in the patent documents "do not provide the necessary clarity overcome the ambiguity of the claim." (Id.) The court therefore found that, because it "cannot know what correction is necessarily appropriate or how the claim should be interpreted," it held the claim to be indefinite. Novo Industries, 350 F.3d at 1358-59. In this case, the nature of the error is apparent from the face of the patent (See, '702 patent, 17:44-52 and Figure 6, claim 1) and from the file history (See, Exhibits 3, 4, 5, 8, and 9 to Block Decl.), where the claims always included the term "decompressor" and the examiner understood the term to be "decompressor." The correction is clear and obvious -- the correct term is "digital decompressor."

Defendants twist the fact that the inventors sought and obtained a Certificate of Correction from the Patent Office and argue that it is an implicit admission by both that this is a "major" mistake, which cannot be corrected by the Court. The mistake by the Patent Office here is a typographical mistake, but it happens to be a mistake where the incorrect word appearing in a claim is itself spelled correctly. It only would make sense for the inventors here to seek correction of this term and for the Patent Office to issue a Certificate of Correction. Defendants arguments now point out exactly the reason why the inventors sought, and why the Patent Office issued, a Certificate of Correction.

This does not mean that the Court cannot or should not correct the Patent Office's error on its own now. The Federal Circuit in Novo Industries, L.P. v. Micro Molds Corp., 350 F.3d 1348, 1354-1357 (Fed. Cir. 2003) held that, even in cases where the Patent Office issues a Certificate of Correction, the Court may still correct the term on its own where the mistake is a typographical/clerical error (which is the case here), or where (1) the correction is not subject to reasonable debate based on consideration of the claim language and the specification and (2) the prosecution history does not suggest a different interpretation of the claims.

Although defendants cite this rule, remarkably, they ignore it. Defendants wholly ignore the claims, the specification, and the file history of the '702 patent which uniformly otherwise use the word "decompressor. There can be no debate that the correct term in claim 1 is "digital decompressor" and that this is a typographical error by the Patent Office.

Accordingly, the Court should correct this term and construe claim 1 in all pending cases as a "digital decompressor."

G. Defendants' Proposed Construction For The "Ordering Means" Is Erroneous, Because Defendants Misconstrue The Claimed Function And Therefore Misinterpret The Time Encoder

The parties agree that this claim phrase is interpreted as a "means-plus-function" claim phrase. The parties also agree that the structure disclosed in the patent specification for performing the claimed function is a "time encoder." The parties disagree, however, on what functions the time encoder performs.[18]

Defendants contend that the time encoder performs the claimed function of "placing the formatted data into a sequence of addressable data blocks" by taking an input stream containing both audio and video information and separating the audio information from the video information to create a separate stream of audio information and a separate stream of video information. (Defendants' Opening Brief at 30:15-22).

Defendants' proposed construction is not supported by the specification of the '992 patent. According to the specification, the time encoder places the formatted data into a sequence of addressable data blocks by "assigning relative time markers to the audio and video data as it passes from the converter 113 to the precompression processor 115." ('992 patent, 8:16-19). Defendants' construction is incorrect, because it defines the time encoder as performing operations that it does not perform, and ignores the operations that the time encoder does perform.

[18] Defendants position in its Brief regarding the construction of the "ordering means" is a significant deviation from defendants' original position in its discovery responses. In their discovery responses, defendants contended that "the specification fails to disclose permissible corresponding structure that is clearly linked to the claimed function." (Exhibit 13 at p. 116 to Block Decl.). Defendants' position as to the construction of the claimed function also changed significantly in their briefs from their discovery responses. In their discovery responses, defendants contended that the claimed function of "placing the formatted data into a sequence of addressable data blocks" means that "the formatted data is broken into data blocks which are in a continuous or connected series." (Exhibit 13 at p. 116 to Block Decl.). While it is assuring to see defendants now correctly contend that there is sufficient structure disclosed in the patent (the time encoder), defendants are still not construing the claimed function or structure correctly, as described herein.

Defendants reach this erroneous construction by confusing the operation of the conversion means 113 with the time encoder 114. As described and shown in the '702 patent, the converter 113 separates the audio data and video data, and provides the separated audio data and the video data to the time encoder. See, e.g., '702 patent, FIG. 2a and 7:1-4 ("The digital audio information is input into a digital audio formatter 125a and the digital video information, if any, is input into digital video formatter 125b."). The time encoder receives separated audio and video data from the converter; the time encoder does not separate the audio and video data. See '702 patent, Figure. 2a and 8:6-9 ("Time encoding by time encoder 114 is achieved by assigning relative time markers to the audio and video data as it passes from the converter 113 through the time encoder 114 to the precompression processor 115").

Defendants' argument regarding the time encoder therefore fails, because it is based on a false assumption—namely, that the time encoder takes an input stream containing both audio and video information and separates the audio information from the video information to create a separate stream of audio information and a separate stream of video information.

1. The Time Encoder Performs The Function Of "Placing The Formatted Data Into A Sequence Of Addressable Data Blocks" By Assigning Relative Time Markers To The Blocks Of Formatted Information Received From The Converter 113

From the description in the '702 patent, it is clear that the time encoder "places the formatted data into a sequence of addressable data blocks" by assigning relative time markers to the blocks of formatted information received from the converter 113 prior to subsequent compression.

The '992 patent states that the information output from the converter 113 may be time encoded by time encoder 114:

> After the retrieved information is converted and formatted by the converter 113, the information may be time encoded by time encoder 114.

('992 patent, 7:64-66).

The '992 patent states that the time encoder places the blocks of converted formatted information from converter 113 (the "formatted data") and places them into a group of addressable data blocks:

> Time encoder 114 places the blocks of converted formatted information from converter 113 into a group of addressable data blocks.

('992 patent, 7:66-8:1).

The specification identifies "time encoding" as the preferred addressing scheme and states that time encoding provides numerous benefits when time encoding occurs prior to subsequent compression:

> The preferred addressing scheme employs time encoding. Time encoding allows realignment of the audio and video information in the compressed data formatting section 117 after separate audio and video compression processing by precompression processor 115 and compressor 116.

('992 patent, 8:1-6).

Lastly, the specification states that time encoding by the time encoder is achieved by assigning relative time markers to the audio and video data:

> Time encoding by time encoder 114 is achieved by assigning relative time markers to the audio and video data as it passes from the converter 113 to the precompression processor 115.

('992 patent, 8:16-19).

Thus, from the specification, it is clear that the function of "placing the formatted data into a sequence of addressable data blocks" is performed by the time encoder when the time encoder assigns relative time markers to the audio and video data prior to subsequent compression.

2. The Time Encoder Does Not Operate On A Mixed Series Of Audio/Video Data, As Defendants Contend

Relying only on Column 8, lines 7-19 of the '992 patent (and ignoring the rest of the specification), defendants incorrectly contend that the time encoder receives a series of digital data bytes that represent video and audio data and that the video and audio data in the series is "mixed together," as shown in Figure 8d. (Defendants' Opening Brief at 30:15-18). Defendants contend therefore that the time encoder "converts the series into a 'sequence' where all of the video data is grouped together starting from the first frame to the last frame, and all of the audio data is grouped together starting with the first and ending with the last sample of audio data." (Defendants' Opening Brief at 30:18-22).

Defendants' description of the function of the time encoder is wrong, because defendants again confuse the converter 113 with the time encoder 114. The portion of the '992 patent relied on by defendants is not describing the functions of the time encoder, but rather is describing the function of the converter 113. This passage starts by describing the formatted information which is output from the converter 113 as being "in the form of a series of digital data bytes which represent frames of video data and samples of the audio data:"

> The converted formatted information of the requested material is then preferably in the form of a series of digital data bytes which represent frames of video data and samples of the audio data.

('992 patent, 8:7-10).

Thus, the output of the converter 113 is therefore described as already being a series of digital data which represent frames of video and samples of audio, before the data is even input to the time encoder.

The '992 patent then states that "a preferred relationship of the audio and video bytes to each other is shown in FIG. 8." ('992 patent, 8:10-12). Figure 8 is actually five figures, 8a-8e. In their brief, defendants rely only on Figure 8d and explain that Figure 8d shows that the video and audio data in the series (from the converter) are mixed together, i.e., they are next to each other in the series. (Defendants' Opening Brief at 30:16-18).

Figure 8d is not relevant to either the converter 113 or to the time encoder 114. The '992 patent states that Figure 8d "shows the block representation of [sic] for three illustrative items which may be stored in the source material library 111. Each of items 1-3 contains its own arrangement of video frames 812, audio frames 822, and data frames 832." ('992 patent, 19:51-56). Figure 8d shows the items stored in the source material library, before the item is even converted by the converter 113 and then sent to the time encoder. Figure 8d therefore does not support defendants' argument that the data received by the time encoder is audio and video data "mixed" together.

The '992 patent next states that "[i]ncoming signals are input and converted in sequence, starting with the first and ending with the last frame of the video data, and starting with the first and ending with the last sample of the audio data." ('992 patent, 8:12-16). This sentence states that signals are "converted." This sentence is therefore referring to the converter 113, not to the time encoder 114 (the time encoder does not "convert").

This sentence also states that incoming signals are input. This refers to the analog or digital input receivers, 127 and 124, respectively. The sentence then states that the signals are converted in sequence, separately with respect to the video and audio data. This refers to the analog converters or digital formatters, 123a, 123b or 125a, 125b, respectively. As shown in Figure 2a, this is exactly how the analog converter and digital formatter operate—the output from the input receivers is separate audio and video information and the converter/formatter converts this audio and video information to the predetermined format. Thus, this sentence refers to the converter 113, not to the time encoder 114, as defendants contend.

Defendants further argue that at this point of the process (which Acacia has shown to be the output from the converter 113, not the output from the time encoder 114), the claimed function has been performed by the time encoder. Defendants contend, based on their erroneous construction of the claimed function, that "the formatted data has been placed into a continuous series of memory units that contain digital information that can be given an identifier." For the reasons discussed in Acacia's brief on the '992 patent terms, defendants' construction of the claimed function is incorrect.

Defendants note that the specification also states that the "time encoder then places time markers on the video frames and audio samples, which allows later realignment of the video and audio data." (Defendants' Opening Brief at 30:26-28). The specification does not state that the time encoder "places time markers on the audio and video data," as defendants state. The '992 patent states that the time encoder assigns relative time markers to the audio and video data. ('992 patent, 8:16-17: "time encoding by time encoder 114 is achieved by assigning relative time markers to the audio and video data.").

Accordingly , the Court should adopt Acacia's construction, which is consistent with the specification and construe the "ordering means" to mean "a time encoder, i.e., a device or software which places blocks of converted formatted information into a sequence or group of addressable data blocks by assigning relative time markers to data prior to subsequent compression, and all equivalents thereof."

3. The Construction Of "Coupled To"

The "ordering means" phrase also uses the phrase "coupled to" to state that the ordering means is coupled to the conversion means. Defendants do not offer a construction for the phrase "coupled to" in their brief. Acacia construes the phrase "coupled to" consistent with its dictionary definit ion, which is consistent with its use in the specification of the '702 patent.

Thus, the term "coupled to" is construed to mean "two or more circuits or systems are associated in such a way that power or signal information may be transferred from one to another"

III. CONCLUSION

For the foregoing reasons and authorities, Acacia respectfully requests that its proposed claim constructions be adopted by this Court.

DATED: May 7, 2004

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PROOF OF SERVICE

I, Sylvia A. Berson, declare:

I am a citizen of the United States and employed in Los Angeles County, California. I am over the age of eighteen years and not a party to the within-entitled action. My business address is 601 South Figueroa Street, Suite 3300, Los Angeles, California 90017.

On **May 13, 2004**, I served a copy of the within document described as **PLAINTIFF ACACIA MEDIA TECHNOLOGIES CORPORATION'S OPPOSITION TO DEFENDANTS' CLAIM CONSTRUCTION BRIEF RE: CLAIM TERMS IN THE '702 PATENT** by transmitting via United States District Court for the Central District of California Electronic Case Filing Program the document(s) listed above by uploading the electronic files for each of the above listed document(s) on this date, addressed as set forth on attached Service List.

The above-described document was also transmitted to the parties indicated below, by United States Mail only.

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I am readily familiar with Hennigan, Bennett & Dorman LLP's practice in its Los Angeles office for the collection and processing of mail with the United States Postal Service; pursuant to that practice, envelopes placed for collection at designated locations during designated hours are deposited with the United States Postal Service with first class postage thereon fully prepaid that same day in the ordinary course of business; and, I am readily familiar with Hennigan, Bennett & Dorman LLP's practice in its Los Angeles office for the collection and processing of federal express with Federal Express.

I declare that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

Executed on **May 13, 2004**, at Los Angeles, California.

/S/
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